

REMARKS

Applicants' filing of the RCE reopens prosecution of the application and the outstanding claims, lifting the finality of the rejections as to the Claims. 37 C.F.R. §1.114(d). Pending continued examination of the application, the claims at present are not under rejection, nonetheless Applicant seeks to provide its preliminary remarks and submissions with respect to the former rejection.

Applicants have amended claims 1 and 30-43 according to the requirements set forth by the Examiner in the Final Office Action dated November 25, 2002. Based on these amendments, Applicants assert that all claim objections raised have been satisfied and that no new matter has been added.

Moreover, Applicants have amended claims 41-43 to change "data stream" to "bit stream." Applicants submit that "bit" does not reference non-functional descriptive material, but rather the form in which such material is carried, coded and signaled. In view of these amendments, Applicant submits that these claims are drawn to statutory subject matter and that a provisional rejection based on 35 U.S.C. §101 is misplaced.

The Examiner had previously rejected Claims 1 and 30-43 under 35 U.S.C. § 102(e) as anticipated by the disclosure of U.S. Patent No. 6,005,622 issued to Haskell, et al. ("Haskell"). Although Applicant continues its traversal of this rejection, as previously set forth in its response to Office Action dated September 13, 2002, and without further comment as to the propriety of this rejection, to advance prosecution, Applicant submits herewith a declaration under 37 C.F.R. § 1.131, signed by all named inventors, demonstrating that the invention which

is the subject of at least Claim 1 was conceived and reduced to practice prior to the earliest stated U.S. filing date identified in Haskell, i.e., September 20, 1996. The declaration includes an exhibit consisting of material supporting the inventors' averments of prior invention with respect to the elements of these claims. Given their prior invention date, claims 1, and 30-43, at the very least, are allowable as Haskell no longer qualifies as a proper citation under 35 U.S.C. §102(e). Applicant respectfully requests reconsideration of the former rejection and allowance of the claims.

Applicants have added new claims 44-53 to the application. These claims add elements drawn to differential pulse code modulation (DPCM) coding on the predictive DC value, addressed previously as to claims 32, 36 and 40, now canceled. Further support for the new claims appears at page 21, lines 4-8 of the specification, and elsewhere. No new matter has been added. Applicants submit that Haskell fails to disclose pulse code modulation on a predictive value, and hence fails to anticipate these claims.

Haskell discloses only a variable length coder, preferably identified as an Huffman coder (i.e., a non-differential coder) performing coding on a DC *residual* signal. (See Haskell, Column 3, lines 9-15). The residual signal is generated by subtractor 310 prior to being received by the coder, the coder does not receive and code the DC coefficient of the block used for prediction. (See Haskell, Column 4, lines 37-47). Therefore, Haskell fails to disclose differential pulse code modulation coding on the predictive DC value.

It is well settled that to reject a claim for "anticipation," the Examiner is required to establish "identity of invention." *Glaverbel Societe Anonyme v. Northlake Mktg. & Supply*, 33 USPQ2d 1496, 1498 (Fed. Cir. 1995). *Each and every element* recited in a claim must be found

in a single prior art reference and arranged as in the claim. *In re Marshall*, 198 USPQ 344, 346 (CCPA 1978); *Lindemann Maschinenfabrik GMBH v. American Hoist and Derrick Co.*, 221 USPQ 481, 485 (Fed. Cir 1984). *There must be no differences* between what is claimed and what is disclosed in the applied reference. *In re Kalm*, 154 USPQ 10, 12 (CCPA 1967); *Scripps v. Genentech Inc.*, 18 USPQ2d 1001, 1010 (Fed. Cir. 1991).

Here, demonstrably, at the very least, Haskell fails to disclose all elements of the new claims.

In view of the foregoing, favorable action on the merits, and allowance of all claims, respectfully is solicited.

Respectfully submitted,

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